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ABSTRACT

This annual report outlines the mission and goals of New Zealand's Early Childhood Development Unit (ECDU), established in 1989 to promote the development and provision of high quality, accessible, and culturally appropriate educational and developmental facilities and services for families and young children. The report contains a directory of ECDU addresses, a brief description of ECDU, statements of the office's mission and values, and reports by ECDU's chairperson, chief executive, and the audit office. Activity areas and financial information are included. Specific information is presented on three output areas: (1) provision of information and advisory services; (2) parental development; and (3) management of contracts. (KB)

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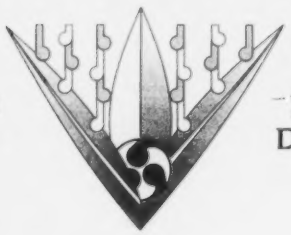

Early Childhood
Development Unit

Early Childhood Development Unit

ANNUAL REPORT

for the year ended 30 June 1997

Presented to the House of Representatives

PS 0-520 8

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CONTENTS

Directory 2

About the Early Childhood Development Unit 4

Statement of Purpose 5

Mission Statement 6

Statement of Values 7

Chairperson's Report 8

Chief Executive's Report 11

Report of the Audit Office 13

Statement of Responsibility 15

Performance Information 16

Statement of Service Performance 16

Statement of Financial Performance 31

Statement of Movements in Equity 32

Statement of Financial Position 33

Statement of Cash Flows 34

Statement of Contingent Liabilities 36

Statement of Commitments 36

Statement of Accounting Policies 37

Notes to the Financial Statements 40

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ABOUT THE EARLY CHILDHOOD DEVELOPMENT UNIT

The Early Childhood Development Unit (ECDU) spearheads Government's investment in the development of learning opportunities for children in the first five years of life. Increasingly research affirms the value of investing in early education for improved individual, family, community, social and economic wellbeing.

As the early childhood sector evolves in response to the needs of a diverse population there is an increasing requirement for 'guardianship' of an emerging spectrum of early childhood education, which spans parenting, formal education, and informal and community driven initiatives. ECDU plays a unique role as coordinator, catalyst for development and active developer of services across the spectrum. This role is supported by strong relationships in both the formal and community based sectors.

ECDU is a Crown entity, established under the Education Act 1989. It reports directly to the Minister of Education through its Board.

ECDU supports families through comprehensive parenting initiatives, such as the Parents as First Teachers Programme (PAFT) and Awhina Maatua, and through information and advice, available through booklets, telephone or personal advice and in workshops and seminars. Families are also supported through playgroups where parents are enabled to play a key role in their children's early development and education.

E pupiri ana e Ngā Kaitaunaki Kohungahunga ki nga whāinga whakatakotohia e Te Tiriti o Waitangi, heihāpai i ngā whānau Māori, a kia tutuki ai ngā wawata o ngā hapū o Aotearoa.

The Early Childhood Development Unit is committed to working in partnership with Māori whānau, hapu and iwi to bring about increased participation by Maori whanau in early childhood education and to enhance the education outcomes of Maori children.

The Early Childhood Development Unit is also committed to supporting Maori parents and whanau towards quality parenting practice.

ECDU provides substantial support for the developing Pacific Islands early childhood education infrastructure which is emerging in response to the needs of this fast growing population of under fives.

ECDU makes a major contribution to the development and ongoing quality improvement of licensed and chartered early childhood centres through advice and information which supports centres to achieve licensed status, and as New Zealand's major provider of professional support services for staff and management in licensed centres.

STATEMENT OF PURPOSE

Our purpose is to promote and encourage the development and provision of high quality, accessible and culturally appropriate educational and developmental facilities and services for the benefit of families and young children. The early childhood education which we promote respects the dignities, rights, abilities, individuality, cultural values and learning styles of all children and their families.

It is our purpose to promote and facilitate opportunities for an increasing number of families to be supported and to be involved in early childhood services, and to provide support and advice to establishing and established early childhood services.

MISSION STATEMENT

RIGHT FROM THE START

Early childhood education impacts on individual, family, community and society's well being. ECDU actively supports the development of a range of opportunities which enable all young New Zealanders to have positive early developmental experiences as the foundation for lifelong learning. This means ensuring that a range of quality early childhood services, including parenting services, is available to meet the cultural, social and geographical needs of families, both now and in the future.

We have a particular focus on making sure the needs of groups with lower participation rates in early childhood services are being met. We achieve this through supporting existing services and service providers to enhance their quality, anticipating and actively developing or ensuring the development of new services required to meet the needs of young New Zealanders and their families, and through working directly with families to overcome barriers to participation.

STATEMENT OF VALUES

The Early Childhood Development Unit is committed to providing high quality services which:

- are accessible to all users, responsive to client needs and enable them to realise their full potential as individuals and as members of society;
- adapt quickly and effectively to new needs and opportunities and the development of knowledge, understanding and skills needed by New Zealanders to compete successfully in the modern, ever changing world;
- actively promote equal education opportunities and practices for all New Zealanders, by identifying and removing barriers to achievement;
- encourage users to develop their own ideas, skills and understanding and to make the best use of their resources;
- are consistent with Maori aspirations and processes and increase participation and success by Maori;
- respect the diverse ethnic and cultural heritage of New Zealand people, with acknowledgement of the unique place of Maori, New Zealand's role in the Pacific and as a member of the international community of nations;
- develop and maintain on-going consultative processes with relevant organisations, institutions, user and community groups;
- develop and maintain effective working relationships with all education crown entities and relevant organisations.

CHAIRPERSON'S REPORT

INTRODUCTION

More than 20 years of research into the way the brain develops is finally making news. The impact of research which shows that appropriate stimulation and development from birth really do make a difference in children's potential for lifelong learning is turning the attention of the developed world to the level and quality of investment in early childhood development and education, including parenting.

New Zealand has a strong history of recognising the vital partnership between parents as children's first and prime teachers, through parent support initiatives and the availability of a range of high quality early educational opportunities. Nonetheless, the research presents us with challenges. How well do New Zealand parents, grandparents and carers understand and take advantage of the window of opportunity for learning that exists before the age of three? Is there still a popular belief that "preschool" education is preparation for the formal school system rather than education in its own right which shapes the ability to learn for life? And will increased knowledge by parents and educators challenge the emphasis on participation by children aged from three upwards?

The research findings focus the spotlight more intensely on New Zealand's investment in strengthening families. Specifically, on the opportunities for parents to learn about their children's development and gain greater confidence in their role as educators. While in many ways the research affirms what many parents have known for years, the importance of loving attachments between parent and child and the value of positive age-appropriate stimulation from birth, the reality is that not all parents start out with this knowledge, or have the skills and strategies to carry good intentions through when times are tough.

Increasing awareness of the benefits of an early foundation for lifelong learning, and social and economic achievement for individuals and for the wider benefit of New Zealand, and stimulating and supporting the growth of services to deliver this, are the strands which link all ECDU activity.

HIGHLIGHTS

Strengthening Families

During the past year ECDU has made a major contribution to strengthening New Zealand families. New Zealand society is characterised by its diversity, and responding to the range of needs apparent has required new approaches. The Parents as First Teachers(PAFT) programme represents a major Government investment in the development of strong and effective parenting skills. In addition to setting overall direction for the programme and selecting and managing service providers, ECDU adds value to on the ground delivery through the provision of intensive initial training and ongoing professional development and support for providers and parent educators. Parent educators continue to work effectively with families from many different cultural, social and economic backgrounds, supported by the ongoing review of nationally produced resources, including translations into languages other than English. In a recent survey participating families were asked if they would recommend PAFT to other families; 99.8% said yes. Satisfaction ratings are supported by the overall retention rate of more than 93%, which compares favourably with similar initiatives overseas. The wider availability of PAFT has increased the ability of parents re-locating to transfer into PAFT programmes in their new locations.

Awhina Maatua

This year we have worked with more than 1,100 families using a community development model which is customised to the needs of every group of families we work with. Our intervention is in the nature of a catalyst, from which sustainable developments within communities frequently emerge. The flexibility of ECDU's approach to parental development makes it a successful approach for these groups. Families are specifically encouraged to access existing community and education services ensuring this work directly supports the objective of increasing Maori and Pacific Islands children's participation in early childhood education. It is often the case that a new early childhood service e.g. a playgroup or Pacific Islands Language Group emerges as a direct response to groups of families worked with.

Atawhaingia Te Pa Harakeke: Nurture the Family

A new initiative which builds on ECDU's experience in delivering community based parent support is the development of Atawhaingia Te Pa Harakeke; a parenting programme developed initially for delivering parenting skills within prisons. ECDU has secured a two year contract with the Department of Corrections to deliver the programme in two prisons, funded through the Government's Crime Prevention Strategy.

Organisational Capacity

Keeping pace with developments in the early childhood arena not unexpectedly involved change within the Early Childhood Development Unit, as we aligned ourselves to respond more effectively to the changing requirements of our customers and partners in the sector. In the past year we have reviewed our reporting systems,

streamlined our management structure, and commenced a five year strategic development plan to increase our service delivery and enhance the quality of services for New Zealand early childhood development.

Four main functions of corporate services, information and communication, service delivery and strategic management, with dedicated specialist positions of Tumuaki Maori and Ta'ita'i Pasifika, support the achievement of our strategic direction.

New reporting systems coupled with recently revised financial systems will enable us to provide greater integration of financial information with quality and quantity performance achievements. Sophisticated recording and data producing processes ensure full accountability for all ECDU expenditure, and accurate performance measurement and quality performance information for continuous improvement.

Likely Developments

Key areas of focus identified for the coming year include an increased focus on strengthening families, an enhanced role in co-ordination across the early childhood sector and bridging into the inter-related areas of health and social services, and greater emphasis on using the information gathered through both delivery and co-ordination activity to identify and support the development of an optimum spectrum of early education and parenting initiatives to meet the needs of all New Zealanders. This will require robust working relationships with key players in the early childhood sector based on shared objectives and complementary roles. We plan a particular focus on supporting key players involved in the development and delivery of services to Maori and Pacific Islands families.

Board Members

The current Board members are Brian Elliott (Deputy Chairperson), Raywyn Ramage, Tony Rhodes, June Mariu and Poko Morgan. Mrs Morgan was welcomed to the ECDU Board in March 1997, bringing more than 30 years experience in early childhood education. She plays a key role in Pacific Islands early childhood education and is Director of the Anau Ako Pasifika programme.

Conclusion

I have pleasure in submitting the Annual Report and the Financial Statements for the year ended 30 June 1997.

P A Seymour

Pat Seymour OBE
Chairperson, ECDU Board

CHIEF EXECUTIVE'S REPORT

REVIEW OF OPERATIONS

Financial

The financial results for the 1996/97 year overall are close to budget and pleasing. Revenue outcome was within 2% ($0.24million) of the target of $12.512 million whilst expenditure outcome was within 5% ($0.544 million) of the target of $12.341 million. The net surplus result for the year was slightly ahead of target at $0.475 million compared with the target of $0.171 million.

ECDU met or exceeded all of its organisational viability targets throughout the year by continuing to operate without a deficit, by maintaining positive working capital, and by maintaining taxpayer's equity at greater than 50% of total assets.

The net result allows ECDU to remain in a strong position to deliver its outputs and to contribute significantly to Government outcomes for early childhood education in New Zealand.

Operational

I am pleased to report that at the close of this financial year ECDU has had a high success rate in meeting its targets. This achievement took place against the dynamics of a fast evolving and growing market in the provision of early childhood education. Early childhood education provision in New Zealand is increasingly characterised by its diversity as indeed is our population. Catering to the needs of families from many different ethnic and cultural backgrounds, with differing lifestyles and beliefs continues to require new approaches. Supporting quality at all levels of provision, from informal parent driven initiatives to the formal regulated end of the market, has been a major focus of our work this year.

An associated quality initiative has been to add early childhood education expertise to the work of others in the social assistance arena, for example the delivery of parenting programmes in prisons, and the training of workers in women's refuges who are working with children.

STAFF FOCUS

Equal Employment Opportunities

The Early Childhood Development Unit is committed to equal employment opportunities. As at 30 June 1997, ECDU employed 99 staff in 81 full time equivalent positions. Composition of the ECDU work force by ethnicity was 27% Maori, 16% Pacific Islands, and 57% Pakeha and others.

In June all Pacific Islands staff had the opportunity to participate in a national fono to set direction for our work with Pacific Islands communities.

At the close of the financial year planning was underway for a national hui for ECDU's

13

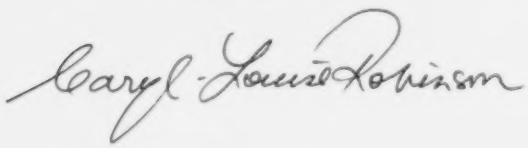
Maori staff, with a focus on strategic planning and quality improvement to meet the needs of Maori clients.

Remuneration Policy

A remuneration policy covering all jobs in the ECDU was implemented on 30 May 1997. This followed an extensive job evaluation process establishing internal relativities and taking into account comparable market values.

Occupational Safety and Health

The organisation commissioned an Occupational Safety and Health audit which reported its findings late in 1996. Since then a working group has met regularly to address compliance issues.



Caryl-Louise Robinson
General Manager

Audit New Zealand

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE EARLY CHILDHOOD DEVELOPMENT UNIT FOR THE YEAR ENDED 30 JUNE 1997

We have audited the financial statements on pages 16 to 42 . The financial statements provide information about the past financial and service performance of the Early Childhood Development Unit and its financial position as at 30 June 1997. This information is stated in accordance with the accounting policies set out on pages 37 to 39.

Responsibilities of the Board

The Public Finance Act 1989 and the Education Act 1989 require the Board to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Early Childhood Development Unit as at 30 June 1997, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 1997.

Auditor's Responsibilities

Section 43(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Board. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed John Scott, of Audit New Zealand, to undertake the audit.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Early Childhood Development Unit's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and the Early Childhood Development Unit's compliance with significant legislative requirements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in Early Childhood Development Unit.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Early Childhood Development Unit on pages 16 to 42:

- comply with generally accepted accounting practice; and
- fairly reflect:
  - the financial position as at 30 June 1997;
  - the results of its operations and cash flows for the year ended on that date; and
  - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 31 October 1997 and our unqualified opinion is expressed as at that date.

John Scott
Audit New Zealand
On behalf of the Controller and Auditor-General
Wellington, New Zealand

STATEMENT OF RESPONSIBILITY

In the financial year ended 30 June 1997, the Board and management of the Early Childhood Development Unit were responsible for:

- the preparation of the financial statements and the judgements used therein,
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Board and management of the Early Childhood Development Unit, the financial statements for the year fairly reflect the financial position and operations of the Early Childhood Development Unit.

Caryl-Louise Robinson
General Manager

Pat Seymour
Chairperson

STATEMENT OF SERVICE PERFORMANCE

This statement of service performance contains all performance measures in the Document of Accountability tabled by the Minister and key performance measures which cover ECDU's key activities.

OUTPUT CLASS: PROVISION OF INFORMATION AND ADVISORY SERVICES

OUTPUT 1: Information
Statement of Cost of Services

1996/97	*Actual* $000	*Budgeted* $000	*Previous Year* $000
Revenue	1,446	1,428	1,462
Cost	1,731	1,369	1,426
Surplus (Deficit)	(285)	59	36

Provision of information on government educational policy and programmes to interested parties both regularly and on request. Provision of advisory services to third parties and any activities relating to the development of services.

This output includes:

- provision of information to the Minister of Education.
- provision of information to the Ministry of Education to assist with ministerial servicing.
- information dissemination to third parties including individuals, families and groups, in a culturally appropriate way.
- provision of statistical data.
- reporting on early childhood education issues.

Output 1: Provision of Information and Advisory Services

Objective	Performance Measure	Actual Performance
Encourage regular liaison with key groups.	100% of meetings with written record of key decisions.	100% meetings have decisions recorded.
	At least 2 meetings held with each of the target groups (at both local and national level).	This year: 286 meetings held.
Promote to the community the value of early childhood education and parenting advice and support.	100% of promotions with a profile of media coverage and resource distribution.	100% of promotions with a profile of media coverage and resource distribution.
	1 national promotion and at least 3 local promotions in each district.	This year: 91 Local - 89 National - 2
Produce and disseminate early childhood education resources based on consumer needs.	100% of resources reviewed annually for appropriateness to consumer needs.	100% of resources reviewed in September.
	At least one new resource produced.	8 new resources in 1996/97 are: Early Childhood Education: An Analysis of Local Participation Trends 1992-96; 6 new Play and Learn Pamphlets in two titles translated into 3 languages; and Quality in Early Childhood Education. 5 revised resources in 1996/97 were: Choices, Awhina Mai, 0-3 set pamphlets; and Parenting - You and Your Child. An update of Early Childhood Education: An Analysis of Local Participation Trends 1992-96 using data now available from the 1996 Census, has begun.

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Output 1: Provision of Information and Advisory Services

Objective	Performance Measure	Actual Performance
Provide advice, information and support to individuals, families, groups or employers, necessary for establishing early childhood services. Includes all matters relating to statutory requirements for licensed and chartered early childhood services.	95% of groups satisfied when surveyed with the appropriateness and effectiveness of the advice received.	64 groups were surveyed and 21 groups responded. 95% were satisfied with the appropriateness and effectiveness of the advice received.
	33% of groups worked with by ECDU reaching licensing standard.	65% of groups worked with by ECDU have reached licensing standard.
	At least 100 groups assisted by ECDU towards licensing and chartering.	328 groups have been assisted by ECDU towards licensing and chartering.
	At least 65% of all centres licensed during 96-97 worked with.	146 centres licensed by the Ministry of Education, of which 98 were worked with by ECDU which represents 67%.
	At least 2 meetings at local level and 1 meeting at national level with Ministries of Health and Education.	2 meetings held at the national level with the Ministry of Health and with the Ministry of Education. 20 meetings held with the Ministry of Education including the local and national levels.
Operate a national networked early childhood information service providing articles, references and early childhood research and information.	100% of information updated according to established criteria.	100% of information updated according to established criteria.
	95% of clients satisfied when surveyed with the appropriateness and effectiveness of the advice received.	A limited client satisfaction survey was performed. An in-house Information Services Survey was undertaken in October 1996. The survey was sent to 24 PAFT providers and all ECDU staff. Of the 113 surveys sent out 33 were returned (29%). The responses indicated a 100% satisfaction with the information service they received.
	7,590 requests responded to.	9271 requests responded to.
	6 national newsletters published.	6 PANUI published.
	2 local newsletters published in each region.	At least 2 local newsletters published in each region.

Output 1: Provision of Information and Advisory Services

Objective	Performance Measure	Actual Performance
Respond to requests for information from the Minister or agents of the Minister regarding the implications of proposed policies, or the impact and consequences of existing policies.	95% of satisfaction level expressed by Minister and Ministry when surveyed.	Response has been received from the Minister of Education for third quarter activity, highlighting satisfaction with progress and achievements to date.
	Up to 1,000 hours of advice on request.	226 hours 20 hours of advice were Maori focused and 43 hours were Pacific Islands focused.
Maintain and provide on request listings of early childhood services on a national database	Database updated weekly.	Database updated as information received.
	100% of updates according to established criteria.	100% updates done according to established criteria.
	800 requests responded to.	1286 requests responded to.
Provision of statistical information on PILG's, Playgroups and unlicensed Playcentres to Ministry of Education at ***1 July.***	Report provided to Ministry by 13 September 1996.	Report provided by 20 September 1996.
	Ministry expresses 100% satisfaction with the report.	Satisfaction target achieved.

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OUTPUT CLASS: PARENTAL DEVELOPMENT

OUTPUT 2: Parental Statement of Cost of Services			
1996/97	*Actual $000*	*Budgeted $000*	*Previous Year $000*
Revenue	2,043	2,153	1,899
Cost	1,775	2,028	1,852
Surplus (Deficit)	268	125	47

Provision of education, information and support for parents of children not attending licensed and chartered early childhood services, to enhance their children's education. This output includes parental and community support activities in special and early childhood education.

Output 2: Parental Development

Objective	Performance Measure	Actual Performance
Provide parent support projects nationally	95% of parents, when surveyed, satisfied with the appropriateness and effectiveness of parent support projects	100% of parents, when surveyed, were satisfied with the appropriateness and effectiveness of parent support projects, and 99% were very satisfied.
	2000 hours national contact time.	2020 national hours contact time.
	25 Awhina Maatua groups.	26 Awhina Maatua groups
	At least 1500 parents in Awhina Maatua groups	Approx 1700 parents/ 1134 families registered in the programme.

Output 2: Parental Development

Objective	Performance Measure	Actual Performance
Work in communities with Pacific Island Language Groups providing information and workshop opportunities on developmentally appropriate programmes and practices.	95% of participants when surveyed, satisfied with the appropriateness and effectiveness of ECDU's work.	100% of participants when surveyed were satisfied, and 95% of participants when surveyed, were more than satisfied with the appropriateness and effectiveness of ECDU's work.
	At least 4000 children regularly attending.	3365 children in Pacific Islands Language Groups at 1/7/97.
	At least 1200 information opportunities.	1585 information opportunities.
	At least 230 PILG's worked with.	245 PILG's worked with.
	At least 200 workshop opportunities.	523 workshop opportunities provided.
	1000 workshop participants.	2911 workshop participants.
Work in communities with Playgroups providing information and workshop opportunities on developmentally appropriate programmes and practices.	95% of participants when surveyed, satisfied with the appropriateness and effectiveness of ECDU's work.	99% of participants when surveyed were satisfied, and 98% of participants when surveyed, were more than satisfied with the appropriateness and effectiveness of ECDU's work.
	At least 13000 children regularly attending.	12746 children at Playgroups as at 1/7/97.
	At least 1500 information opportunities.	2221 information opportunities.
	At least 530 Playgroups worked with.	747 Playgroups worked with.
	At least 400 workshop opportunities.	1151 workshop opportunities
	2000 workshop participants.	8221 workshop participants
Information workshops for other Parent Groups	95% of participants when surveyed, satisfied with the appropriateness and effectiveness of ECDU's work.	96% of participants when surveyed were satisfied.
	At least 50 workshops with 500 participants.	95 workshops with 908 parents.

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OUTPUT CLASS: MANAGEMENT OF CONTRACTS

OUTPUT 3: Contracts Statement of Cost of Services			
1996/97	*Actual* *$000*	*Budgeted* *$000*	*Previous Year* *$000*
Revenue	134	135	127
Cost	182	130	124
Surplus (Deficit)	(48)	5	3

Provision of information and funding to support the development and provision of quality early childhood education by ensuring that eligible groups and individuals apply for and receive funding. Includes monitoring the performance of those funded, and management of payments.

Groups which receive grants are Pacific Islands Language Groups, Playgroups, and unlicensed Playcentres.

Output 3: Management of Contracts

Objective	Performance Measure	Actual Performance
Inform eligible groups and individuals about funding	At least 600 groups informed about funding through meetings and newsletters	Targets achieved.
	80% of groups which apply for funding to be eligible.	Targets achieved.
Funding is dispersed to all eligible groups submitting applications which meet the criteria (within budget)	100% payments disbursed accurately within 3 weeks to 841 eligible groups.	Targets achieved.
Develop and implement appropriate measures for groups to report about the use of grant funds	95% of all groups report to established criteria on use of grant funds.	70% of all groups met reporting requirements. Processes have been put in place to strengthen reporting.

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OTHER CROWN CONTRACTS

Other Contracts Statement of Cost of Services			
1996/97	*Actual $000*	*Budgeted $000*	*Previous Year $000*
Revenue	8,649	8,796	5,345
Cost	8,109	8,815	5,299
Surplus (Deficit)	540	(19)	46

The outcome of this output is:

- improved provision of early childhood education in centres, increased knowledge for personnel about early childhood education issues.
- increased awareness for early childhood education services about Te Whaariki and the planning process for implementing the curriculum in centres.

1. Professional Support Programme contract with Ministry of Education

Objective	Planned Performance	Actual Performance to 31 December 1996
Provide professional support service to early childhood centres.	Milestone Reports and Surveys were provided to the Ministry to agreed deadlines and quality.	7 Milestone reports were completed within agreed deadlines and quality.
	410 centres for in-centre-based in-depth programmes with an average of 12-15 hours per centre.	410 centres were reached as at 30 November 1996 or at end of contract period. A total of 5398.5 hours.

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1. Professional Support Programme contract with Ministry of Education

Objective	Planned Performance	Actual Performance to 31 December 1996
Provide professional support service to early childhood centres.	Minimum of 20 meetings will be held for cluster/focus groups.	20 cluster workshops involving 64 different early childhood centres and groups were held.
	100 seminars on relevant topics to early childhood personnel.	104 seminars were held with participation from 844 early childhood centres.
	100% accurate timely advice and information on request provided to early childhood centres.	100% achieved.
	Minimum of 500 requests responded to within 5 working days.	1186 requests within 5 working days during 1995/96 contract.

2. Professional Support Services contract with Ministry of Education

Objective	Planned Performance	Actual Performance to 30 June 1997*
Provide professional support service to early childhood centres.	Milestone Reports and Surveys were provided to the Ministry to agreed deadlines and quality.	2 Milestone repor were completed within agreed deadlines and quality.
	410 centres - individual service based approach average of 10 hours per service.	216 services commenced in depth programmes for a total of 1821.5 hours.
	Minimum of 18 meetings will be held for cluster/focus groups consisting of 2-5 services.	To 13 June 1997, (Milestone 2) 8 cluster groups involving 31 services have commenced
	40 seminars on relevant topics to early childhood personnel - with 5 minimum.	To 13 June 1997, 9 seminars were held with participation from 113 early childhood centres.
	40 focus groups to be held with 2 hours minimum on identified topics relevant to early childhood personnel.	To 13 June 1997 (Milestone 2), 1 focus group held The number appears low due to the nature of the reporting structure of the contract.[1]
	Advice and support - requests for information to be responded to within four working days.	To 13 June 1997 (Milestone 2), 78 requests for information responded to within four working days.

* Reporting to 13 June 1997, Second Milestone Report, as the contract is not completed until 31 December 1997.

[1] by Milestone 3, 19 September, 8 focus groups with 37 services.

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3. Professional Development Early Childhood Curriculum, Te Whaariki contract with Ministry of Education for 1 February 1996 - 3 February 1997.

Objective	Planned Performance	Actual Performance to February 1997
Provide professional development services for implementation of Te Whaariki.	Work with 20 cluster groups.	20 cluster groups worked with this year. Target achieved.
	Strand one: work with 160 centres with 15 hours of support each.	193 centres worked with this year.
	Strand two: work with 40 groups and associations with 9 hours of support each.	16 centres worked with this year. Centres were given the choice of choosing either the 15 hour strand or the 9 hour strand. The majority of centres choose the 15 hour strand option hence the low number for strand two.

PARENTAL DEVELOPMENT

The outcome of this output is:

- Parents are supported in their parenting role, increasing their own understanding and confidence.
- Organisations are supported in their commitment to parents in the workforce

1. Parents as First Teachers - Management of NZ National Centre

Objective	Performance Measure	Actual Performance
Ensure effective delivery of Parents as First Teachers	Percentage of families satisfied with the appropriateness and effectiveness of programme provisions.	99% of promotions and public information met client satisfaction.
	Percentage of programme delivery consistent with the core elements of the programme.	Contract to date targets achieved.
	6000 families by 30 April 1997	7173 families by 30 April 1997. Target achieved.
	9000 families by 30 April 1998	7173 families by 30 April 1997.
Collect data on ethnicity of families, health screenings and development of each child	100% of families for which data is collected and reported quarterly to contractor.	Achieved.
Management of Contracts: Advertise, develop specifications, select preferred proposers, negotiate and renegotiate where necessary contracts with service providers.	100% of programme providers with written agreements.	Target achieved.
	33 contracts negotiated within allocated budget and time frame.	32 contracts negotiated. It was agreed that Timaru and South Canterbury combine into one contract, thus reducing the number below target.
Monitor the performance of contractors.	1 or 2 visits to each contract site.	1 visit to each contract site.

1. Parents as First Teachers - Management of NZ National Centre

Objective	Performance Measure	Actual Performance
Facilitate professional development programmes/ meetings for all parent educators and programme coordinators	90% of responses from parent educators and programme coordinators satisfied with appropriateness, accuracy, and timeliness of programme content.	Target achieved.
	10 days professional development for first year parent educators by 30 June 1997.	Target achieved.
	Between 220 and 360 parent educators and programme coordinators.	197 parent educators and coordinators. The number of parent educators and coordinators will increase with the increase of families to 9000 by April 1998.

OTHER ACTIVITIES

2. Parents in the workforce

Contracts to be negotiated with appropriate agencies and organisations for their own support or direct support to parents.

Objective	Performance Measure	Actual Performance
To negotiate contracts with agencies and organisations.	At least 1 contract in each region and nationally including workplace support, workshops, seminars, professional supervision.	ECDU has carried out work on a total of 167 on-going and completed business development contracts, year to date to 30 June 1997. There have been 20 professional supervision contracts, 57 consultancy / advice contracts, and 90 seminars and workshop services. Target achieved.

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Margaret May Blackwell Trust

Objective	Performance Measure	Actual Performance
Administer the Margaret May Blackwell Trust Award for travel and study overseas in early childhood education.	Annual information advertised.	The award was advertised in the Education Gazette.
	Awarded 100% of compliance with Trustees administration criteria.	Awarded to Sophie Bringzen in compliance with the Trustees administration criteria.
	At least 3 applications meeting the Trustees selection criteria.	3 applications met the criteria.
	100% of Trustee satisfaction with the Report of Dissemination programme.	100% satisfaction has been expressed with ECDU's administration of the award.

Early Childhood Development Unit
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 1997

	Note	*Actual*	*Budget*	*Previous Year*
		$000	*$000*	*$000*
REVENUE				
From the Crown		3,436	3,436	3,476
Other	1	8,603	8,826	5,000
Interest		233	250	357
TOTAL REVENUE		12,272	12,512	8,833
EXPENSES				
Personnel costs		3,844	3,931	3,645
Operating	2	7,667	8,152	4,809
Depreciation		286	258	247
TOTAL EXPENDITURE		11,797	12,341	8,701
NET OPERATING SURPLUS		475	171	132

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 30 June 1997

	Actual	*Budget*	*Previous Year*
	$000	*$000*	*$000*
Equity as at 1 July 1996	1,837	1,901	1,705
Movement during year			
Net Operating Surplus for the period	475	171	132
Total recognised revenues and expenses for the period	475	171	132
Equity as at 30 June 1997	2,312	2,072	1,837

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF FINANCIAL POSITION

as at 30 June 1997

	Note	*Actual*	*Budget*	*Previous Year*
		$000	*$000*	*$000*
CURRENT ASSETS				
Bank and cash		465	381	481
Money market deposits		2,800	1,600	2,500
Receivables		113	32	464
Grant funds receivable		6	0	6
Total Current Assets		3,384	2,013	3,451
NON-CURRENT ASSETS				
Fixed assets	3	1,012	991	879
Total Non-Current Assets		1,012	991	879
TOTAL ASSETS		4,396	3,004	4,330
CURRENT LIABILITIES				
Accruals and payables	4	807	105	1,313
Provision for repayment of surplus grants	5	575	0	439
Grants in advance		525	655	562
Grants payable		177	172	179
Total Current Liabilities		2,084	932	2,493
NET ASSETS		2,312	2,072	1,837
EQUITY		2,312	2,072	1,837

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF CASH FLOWS

for the year ended 30 June 1997

	Actual	*Budget*	*Previous Year*
	$000	*$000*	*$000*
OPERATING ACTIVITIES			
Cash was provided from:			
Operational funding	11,829	12,262	8,274
Net Goods and Services Tax	20	0	68
Interest - operational funds	233	250	357
Cash was applied to:			
Payments to employees	(3,851)	(3,931)	(3,592)
Other operating costs	(7,611)	(8,175)	(4,831)
Net cash flows from Operating Activities	620	406	276
INVESTING ACTIVITIES			
Cash was provided from:			
Sale of fixed assets	59	102	122
Cash was applied to:			
Purchase of fixed assets	(491)	(500)	(404)
Net cash flows from Investing Activities	(432)	(398)	(282)
GRANT FUND ACTIVITIES			
Cash was provided from:			
Grant funds received	2,218	2,420	2,402
Cash was applied to:			
Grant funds paid	(2,122)	(2,718)	(3,377)
Net cash flows from Grant Fund Activities	96	(298)	(975)
NET INCREASE/(DECREASE) IN CASH HELD	284	(290)	(981)
Add opening cash brought forward	2,981	2,271	3,962
CLOSING CASH CARRIED FORWARD	3,265	1,981	2,981
REPRESENTED BY:			
Bank and cash	465	381	481
Money market deposits	2,800	1,600	2,500
	3,265	1,981	2,981

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF CASH FLOWS

Continued

RECONCILIATION WITH REPORTED NET OPERATING SURPLUS

	Actual	*Budget*	*Previous Year*
	$000	*$000*	*$000*
NET OPERATING SURPLUS	475	171	132
ADD NON-CASH ITEMS			
Depreciation	286	258	247
MOVEMENTS IN OTHER WORKING CAPITAL ITEMS:			
(Increase)/Decrease in accounts receivable and prepayments	351	0	(414)
Increase/(Decrease) in accruals & payables	(452)	0	171
Increase/(Decrease) in income received in advance	(12)	0	27
(Decrease)/Increase in GST payable	(41)	0	114
	(154)	0	(102)
LESS ITEM CLASSIFIED AS INVESTING ACTIVITY			
Net (surplus)/loss on sale of fixed assets	13	(23)	(1)
NET CASH INFLOW FROM OPERATING ACTIVITIES	620	406	276

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF CONTINGENT LIABILITIES

as at 30 June 1997

The ECDU had no contingent liabilities as at 30 June 1997.
(Nil as at 30 June 1996)

Early Childhood Development Unit
STATEMENT OF COMMITMENTS

as at 30 June 1997

	Actual $000	*Previous Year* $000
OPERATING LEASES		
Due		
Not later than one year	426	452
Later than one year and not later than two years	228	378
Later than two years and not later than five years	519	477
Later than five years	176	181
LEASE COMMITMENTS	1,349	1,488
PAFT THIRD PARTY CONTRACTS		
Due		
Not later than one year	6,608	4,132
Later than one year and not later than two years	4,672	4,028
Later than two years and not later than five years	1,722	2,829
PAFT COMMITMENTS	13,002	10,989

The accompanying accounting policies and notes form an integral part of these financial statements.

Early Childhood Development Unit
STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 1997

REPORTING ENTITY

The Early Childhood Development Unit (ECDU) is a Crown entity formed under the Third Schedule of the Education Act 1989 and is required to report under the Public Finance Act 1989.

MEASUREMENT BASIS

The general accounting principles as recommended by the Institute of Chartered Accountants of New Zealand for the measurement and reporting of revenue and expenses on an historical cost basis have been followed by the ECDU.

ACCOUNTING POLICIES

The following are the accounting policies which have a material effect on the measurement of results and financial position:

Fixed assets and depreciation

Fixed Assets are stated at cost. The minimum capitalisation value of individual assets is $500.

Depreciation has been provided for, using the 'diminishing value' method at the following rates:

Motor vehicles	20% per annum
Office furniture and equipment	20% per annum
Leasehold improvements	20% per annum

Depreciation has been provided for, using the 'straight-line' method at the following rate:

Computer equipment	30% per annum

Assets purchased during the year, have been depreciated from the month in which they were purchased.

Goods and Services Tax

The financial statements are prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated with GST included. Where GST is irrecoverable as an input tax, then it is recognised as part of the related asset or expense.

Taxation

The ECDU is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax.

Consumable supplies and publications

All consumable supplies and resources are expensed as purchased. The costs of publications and resources developed by the ECDU are expensed in the period in which the costs are incurred.

Revenue

Government grants are recognised when eligibility has been notified by the Ministry of Education.

Receivables

Receivables are stated at expected net realisable value.

Grant funds

Grants are paid by the ECDU as transfer payments as an agent of the Crown. Transfer payments are not recorded in the Statement of Financial Performance, but are reflected in the Statement of Financial Position.

Provision for employee entitlements

Provision has been made for the annual leave on an entitlement basis. Any movement in the level of this provision is reflected in the Statement of Financial Performance.

Cost Accounting

The ECDU has derived the costs of outputs using a cost allocation system which is outlined below.

Criteria for Direct and Indirect Costs

"Direct Costs" are those costs directly attributable to an output.

"Indirect Costs" are those costs that cannot be identified in an economically feasible manner, with a specific output.

Direct Costs assigned to Outputs.

Direct costs are charged directly to outputs. Labour costs are charged to outputs on an actual time basis derived from a time recording system. Materials costs are coded direct to outputs via expenditure vouchers.

Basis for assigning Indirect Costs to Outputs

Indirect costs are assigned to outputs based on the proportion of direct staff costs charged to each output.

For the year ended 30 June 1997, indirect costs accounted for 34% (1996: 40%) of total costs.

Payables and accruals and other short term liabilities

Provision is made for all known and identifiable liabilities existing at balance date.

Leases

The ECDU leases office premises and office equipment, mainly photocopier machines. As all the risks and ownership are retained by the lessor, these leases are classified as operating leases.

Operating lease costs are expensed in the period in which they are incurred.

Commitments

Future payments are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations. Commitments relating to employment contracts are not disclosed.

Contingent liabilities

Contingent liabilities are disclosed at the point at which the contingency is evident.

Financial instruments

The ECDU is party to financial instrument arrangements as part of its everyday operations. Revenue and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Financial instruments are recognised in the Statement of Financial Position on the basis of ECDU's general and, where applicable, specific accounting policies. All financial instruments disclosed in the Statement of Financial Position are recorded at fair value.

Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the ECDU invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources of the ECDU and records the cash payments made for the supply of goods and services and personnel costs.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Grant activities are those activities relating to the payment of grants to early childhood education groups.

Changes in Accounting Policy

There have been no changes in accounting policies during the year. All policies have been applied on bases consistent with those used in previous years.

Budget figures

The budget figures were approved by the Board at its meeting of 14 June 1996.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1997

	Actual $000	*Previous Year* $000
1. OTHER REVENUE		
Other Revenue comprises the following:		
Other Crown Contract funding	8,281	4,761
Other	322	239
	8,603	5,000
2. OPERATING EXPENSES		
Operating expenses comprise the following:		
Audit fees	27	25
Board costs	20	24
Communications	440	558
External fees	234	226
General administration	614	369
Occupancy	605	559
Travel and accommodation	500	457
PAFT third party contracts	5,227	2,591
	7,667	4,809
Included in occupancy costs are costs as follows:		
Lease costs	514	470

3. NON CURRENT ASSETS

	Cost $000	*Accumulated Depreciation* $000	*1997 Net Book Value* $000	*1996 Net Book Value* $000
Motor vehicles	911	(285)	626	484
Office furniture	239	(169)	70	79
Computers	921	(751)	170	149
Leasehold improvements	56	(33)	23	28
Office equipment	319	(196)	123	139
	2,446	(1,434)	1,012	879

4. ACCRUALS AND PAYABLES

	Actual $000	*Previous Year* $000
Accounts payable	375	180
GST	27	67
Revenue received in advance	15	27
Provision for annual leave	86	95
Provision for payment - PAFT funding	139	649
Expense accruals	165	295
	807	1,313

5. GRANT FUNDS

The ECDU acts as agent for making transfer payments on behalf of the Crown to early childhood groups. During the year, payments of $2,120,000 (1996: $2,056,000) were made, and there was a closing balance to be refunded to the Ministry of Education of $575,000 (1996: $439,000).

	Actual $000	*Previous Year* $000
Opening balance	439	1,329
Repayments made	0	(1,329)
Funding received	2,256	2,495
Grants made	(2,120)	(2,056)
Closing balance	575	439

6. RELATED PARTY

The ECDU is a wholly owned Crown entity. A contract with the Minister of Education comprised 28% of funding for the year ended 30 June 1997 (39.4% for the year ended 30 June 1996). Other Crown contracts comprised 67.5% of funding for the year ended 30 June 1997 (53.9% for the year ended 30 June 1996). All other transactions with public sector entities were conducted on an arms-length basis and in the normal course of business.

7. FINANCIAL INSTRUMENTS

The ECDU is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and accounts payable.

Credit Risk

In the normal course of its business, the ECDU incurs minimal credit risk from trade debtors, and transactions with the Bank of New Zealand.
The ECDU does not require any collateral or security to support financial instruments with the Bank of New Zealand due to its high credit rating. For its other financial instruments, the ECDU does not have significant concentrations of credit risk.

Fair Value

The fair value is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency Risk and Interest Rate Risk

The ECDU has no significant exposure to interest rate risk on its financial instruments.